

OMNI SHAREHOLDER LITIGATION

<p align="center"><u>OMNI purchased its shares in GOK from an entity called Profit House. Defendant -affiliated company NPRO Urals sued Profit House, not OMNI, for OMNI's shares in GOK.</u></p>					
	Trial Court	Appellate Instance of the Same Court	Cassation Court	Supreme Arbitrazh Court	
Order	<p>August 1, 2000 Decision of Chelyabinsk Arbitrage Court (CAC) ordering that the title to 10.6 million of GOK shares owned by Omni be re-registered in the GOK register of shares in the name of NPRO Urals.</p>	<p>October 16, 2000 Decision of the Appellate Instance of CAC affirming the CAC decision of 08/01/00.</p>	<p>January 4, 2001 Decision of the Federal Arbitrage Court of the Ural Region affirming.</p>	<p>June 4, 2001 Profit House filed a petition with the Supreme Arbitrazh Court of the Russian Federation. Petition pending.</p>	
Corrupt Purpose	<p>Omni, the owner of the shares that time (a matter of public record), was not named as a party or notified of the hearing, and thus its shares were ultimately re-registered in the name of US based defendant companies.</p>	<p>Rejection of fact that OMNI was a necessary party allowed judicial theft of OMNI's shares.</p>	<p>Reinforcement of prior illegal decision.</p>		
Record	<p>Complaint ¶ 406. Kleymentov Dec. ¶ 52-53; Exs. 34, 37. Rieger (Omni) Dec. ¶ 6-7, 9; Ex. 3.</p>	<p>Complaint ¶ 407. Kleymentov Dec. ¶ 54, Ex. 35. Rieger (Omni) Dec. ¶ 7, 9; Ex. 4.</p>	<p>Complaint ¶ 408. Kleymentov Dec. ¶ 55; Ex. 36. Rieger (Omni) Dec. ¶ 7, 9; Ex. 5.</p>	<p>Kleymentov Dec. ¶ 56, Ex. 38. Rieger (Omni) Dec. ¶ 9; Ex. 7.</p>	

KOZITSIN'S WRONGFUL CONDUCT

Creation of False Debt

FACT

The day of this installation as GOK General Director, Kozitsin borrowed \$15 million from MIDM Bank, which GOK did not intend to repay, and which it was required to repay within less than one week.

Kozitsin then transferred those funds to Svyatgor — who had executed a payment to MIDM Bank — in payment of promissory notes with a face value of \$2 million as security for the guarantee. Svyatgor then repaid the MIDM debt with the original US \$15 million that never left MIDM bank.

Svyatgor assigned these notes to a shell company known as Lebanon

PURPOSE OF ABUSE

This false debt resulted in Lebanon holding nearly 70% of GOK debt in return for literally nothing, giving defendants the power to control the course of the GOK bankruptcy.

Zanadvarov Dec. 11/24/25 37-55 Exs. 22-38 Telyulana Dec. 11/23-48 Exs. 6-61s Plaintiffs' Memorandum of Law in Opposition to Defendants' Motions to Dismiss the Amended Complaint (Pls. Mem. 1/11/28) Second Amended Complaint (Complaint) 11/3/28

KOZITSIN'S WRONGFUL CONDUCT

Concealed Conflict of Interest

FACT

- At the time of the transaction with Svyatgor, Kozitsin was the general director of GOK and the general director of OAO Uralelektromed and UGMK, an affiliate of Svyatgor.
- Kozitsin did not follow the procedure specified by Russian law for consummating this "interested transaction."

PURPOSE OF ABUSE

- As stated above, this raise debt resulted in Lebaul holding nearly 70% of GOK's debt, giving the defendant the power to control the course of the GOK bankruptcy.

Zaradvorov Dec. 11/39-41 Exs. 24-25; Bultham Dec. 11/20-24 Exs. 22-25; Pl. Mem. at 78; Complaint ¶ 375.

KOZITSIN'S WRONGFUL CONDUCT

Fraudulent Accounting

FACT

The loss resulting from the Lebanon transaction, which was twelve times greater than the losses incurred by GOK during the preceding year, was not reflected on GOK's books.

PURPOSE OF ABUSE

This fraudulent omission enabled Kozitsin to conceal from the bankruptcy court and creditors when and how GOK's indebtedness was accumulated.

Zanachvarov Dec. 11, 56-58; Exs. 39-40; Yasirebova Dec. 11, 2-3, 17-46; Ex. 6-13-19; Pl. Mem. at 58, 11-40.

KOZITSIN'S WRONGFUL CONDUCT

Sham, Intentional Bankruptcy

FACT

1. Almost immediately after Kozitsin assumed control of GOK, one of GOK's creditors, Krasgiz, sent a letter demanding that GOK pay off debt amounting to approximately \$700,000 USD.

2. GOK and Krasgiz had previously reached an agreement pursuant to which GOK would pay Krasgiz on a current basis and would reduce its outstanding debt in accordance with a payment plan.

3. Kozitsin acknowledged the false debt, but refused to make a payment, even though GOK had funds sufficient to pay the debt in full, going so far as to conceal the acknowledgment from GOK's shareholders.

PURPOSE OF ABUSE

4. Krasgiz placed GOK into an intentional bankruptcy that would enable defendants to determine the course of GOK and demand plaintiffs of their interests in GOK.

5. By failing to inform them, Kozitsin prevented the shareholders from obtaining financial assistance which would have kept GOK out of bankruptcy.

Zinad'Varov Dec. 11, 14-22, Exs. 1, 13-14, 52, Yastrebova Dec. 11, 14-22, Exs. 1-13, Telyukina Dec. 11, 49-56, 62-67, Exs. 62-78, Pl. Mem. at 7-79-81, Complaint 11-387-88, Ex. 17

KOZYREV'S WRONGFUL CONDUCT

Failure to Permit Repayment of Outstanding Debt

FACT

Kozyrev ignored offers that were presented to him by shareholders owning more than 72% of GOK shares that would have rendered the bankruptcy of GOK unnecessary.

PURPOSE OF ABUSE

In so doing, Kozyrev ensured the success of the defendants' intentional bankruptcy.

Zanadvarov, Dec. 17, 66-68, 78, Exs. 4, 43-45, 50; Telyutina, Dec. 17, 61-67, Exs. 48, 81-90; Plaintiffs' Memorandum of Law in Opposition to Defendants' Motions to Dismiss the Amended Complaint (Pl. Mem.), at 79, 84.

KOZYREV'S WRONGFUL CONDUCT

Change of Court Date to Deny Creditors' Standing

FACT

- On August 15, 2000, without notice to potential claimants, Kozzyrev filed a petition requesting the Court to change the date of a hearing that would determine whether external management would be introduced.
- Kozzyrev asked for the hearing to be changed from September 27, 2000 to August 22, 2000.
- The Court granted the request.

PURPOSE OF ABUSE

- Numerous creditors were prevented from establishing their claims and from participating in the hearing because of lack of notice of the new date.
- On August 22, 2000, the Court approved Kozzyrev as external manager.

Zanadvarov Dec. 11, 78-86 Exs. 46, 49-50, 52-55; Telyukina Dec. 11, 72-80 Exs. 62, 91, 104-107; Pl. Mem. at 79, 81.

KOZYREV'S WRONGFUL CONDUCT

Improper Rejection of Legitimate Creditor Claims

FACT

- During his tenure as external manager, Kozyrev refused to recognize a number of creditors that held established claims - i.e., claims he did not have the discretion to reject.
- These claims totalled more than US \$60,000,000.
- These claims amounted to approximately 54% of GOK's trade liabilities.

PURPOSE OF ABUSE

- By rejecting these claims, Kozyrev ensured that defendant-controlled claims dominated the creditors' meetings.

Zanadavoy Dec. 99-90-104-40-57-62-73 Bukharin Dec. 99-6-19-80-37 Exs. 2-21 30-34
Telukhin Dec. 99-83-102 Exs. 89-90, 108-120, 130 Pl. Mem. at 79-81-2 Second Amended
Complaint ("Complaint") 9390

KOZYREV'S WRONGFUL CONDUCT

Improper Recognition of the Sham Lebaut Claim

FACT

- Lebaut had received \$25 million in promissory notes as a result of the false Syvatarigor debt.
- Kozyrev approved the fraudulent Lebaut claim which amounted to nearly 70% of the outstanding votes on the creditors' committee.
- Kozyrev refused to hear any objections to the inclusion.

PURPOSE OF ABUSE

- Kozyrev's recognition of the Lebaut claim resulted in Lebaut, an alter-ego of defendants, controlling the bankruptcy process.
- Sergei Zankovsky, defendants' own expert, published an article explaining how this very scheme allowed the takeover of the plant assumed to be GOK.

Zankovsky, Dec. 11, 105-111, Exs. 63, 74-76; Telyukina, Dec. 11, 23-48, Exs. 9-61; Pl. Mem. at 79-80, 82; Complaint, ¶ 391; Second Declaration of James Bernard, dated September 20, 2002 (under seal).

KOZYREV'S WRONGFUL CONDUCT

Sham Settlement Agreement

FACT

- At the final creditors meeting, Kozyrev proposed settlement terms whereby under the agreement, payments to creditors in Rubles, without interest, would not begin until March 1, 2008.
- Defendants had previously obtained shareholder consent of GOK from plaintiffs.

PURPOSE OF ABUSE

- After defendants had stolen GOK shares through other confidential legal proceedings, the Settlement Agreement brought an end to the bankruptcy proceedings and allowed defendants to control GOK going forward.

Zanadvarov Dec. 11, 112-120 Exs. 66-68, Telyukina Dec. 11, 103-110, Exs. 92, 121-25, Pl. Mem. at 79-80, 82, Complaint, 11/14/04, 25, 428.